

THE BIOTECH GROWTH TRUST PLC

Interim Management Statement – 3 months to 31 December 2010 (unaudited)

The Biotech Growth Trust PLC seeks capital appreciation through investment in the worldwide biotechnology industry principally by investing in emerging biotechnology companies.

In the three month period ended 31 December 2010 the Company's net asset value per share rose by 4.9% compared to a rise of 9.3% in the Company's benchmark, the NASDAQ Biotechnology Index, measured in sterling terms. The Company's share price rose by 6.4% during the three-month period as the discount of share price to net asset value per share narrowed from 5.9% to 4.5%. The Company's underperformance when compared to the benchmark, was due, in part, to a relatively high exposure to major biotechnology companies which lagged emerging biotechnology companies particularly in December. The Company's Investment Manager, however, believes that major biotechnology names, while somewhat out of favour, remain cheap and represent good value. Other contributors to the Company's underperformance included the portfolio's underweight position in specialty pharmaceutical names, which performed well in the period, the absence from the portfolio of strong-performing biopharmaceutical company InterMune and the portfolio's overweight holding in take-over target Genzyme, which had a quiet quarter in a rising market. The Company's Investment Manager believes that an increased bid will be forthcoming from Sanofi-Aventis for Genzyme. During the period 469,252 shares were repurchased by the Company for cancellation at an average discount of 8.7%.

In the period from 31 December 2010 to 9 February 2011, the Company's net asset value per share fell by 2.3% and the share price by 2.2%. The Company's benchmark fell slightly more, by 3.1%. During this period a further 79,170 shares were repurchased for cancellation by the Company at an average discount of 6.3%. As at the date of this report there are 65,321,387 shares in issue.

Any remaining uncertainty concerning the impact of US healthcare reform on near-term earnings should be resolved once companies issue 2011 guidance and a number of high profile product launches should help to boost sentiment in the biotechnology sector. A possible reduction in the tax liability that would be levied against large US pharmaceutical companies, if they agreed to repatriate cash from overseas back to the US, could have a stimulating effect on domestic M&A activity.

Trust Characteristics

	31 December 2010	30 September 2010
Number of Holdings	39	34
Net Assets (£m)	115.9m	111.2m
Gearing (AIC basis)	100	100
Share Price (p)	169.25	159.00
NAV (p)	177.23	168.88
Discount of share price to net asset value per share	4.5%	5.9%

Source: Frostrow Capital LLP

Geographical Analysis

	% of portfolio at 31 December 2010	% of portfolio at 30 September 2010
North America	78.5	82.2
Continental Europe	8.7	8.5
UK Listed	5.9	5.5
Israel	5.0	2.8
Unquoted	1.1	1.0
Far East	0.8	-
Total	100.0	100.0

Source: Frostrow Capital LLP

10 Largest Investments

Name

	% of portfolio at 31 December 2010	% of portfolio at 30 September 2010
Amgen	7.0	8.1
Shire	5.9	5.5
Gilead Sciences	5.7	5.7
Celgene	5.2	5.1
Genzyme	5.1	6.5
Teva Pharmaceutical	5.0	2.8
BioMarin Pharmaceutical	4.6	4.0
Vertex Pharmaceuticals	4.5	1.8
Illumina	4.1	3.8
Ariad Pharmaceuticals	4.0	<u>3.5</u>
Total	51.1	46.8

Source: Frostrow Capital LLP

Performance to 31 December 2010

	3 Months	1 Year	3 Years	5 Years
Share Price	+6.4%	+15.5%	+56.0%	+40.2%
NAV per share	+4.9%	+16.8%	+55.7%	+44.0%
Benchmark*	+9.3%	+19.1%	+47.8%	+35.3%

Source: Bloomberg & Morningstar

* Benchmark – NASDAQ Biotechnology Index measured in sterling terms.

Past performance is not a guide to future performance.

This Interim Management Statement has been prepared solely to provide information to meet the requirements of the UK Listing Authority's Disclosure and Transparency Rules.

This Interim Management Statement is available on the Company's website www.biotechgt.com.

The Company's net asset value per share is announced daily and is available, together with the share price, on the TrustNet website at www.trustnet.com

SEDOL Code:

Ordinary shares - 0038551

ISIN –

Ordinary Shares GB0000385517

For further information contact: Mark Pope on 0203 008 4913

Frostrow Capital LLP

Company Secretary

15 February 2011